

Message Text

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E.O. 11652: GDS

TAGS: EMIN, EINV, EAID, HA

SUBJECT: HAITI CHARGES UNDP WITH INTERFERING IN NEGOTIATIONS
ON COPPER

REF: (A) P-AU-P 2219; (B) P-AU-P 2218; (C) P-AU-P 1674

1. SECRETARY OF COMMERCE AND INDUSTRY FOURCAND TOOK ADVANTAGE OF MY VISIT NOV 13 ON SUBJECT OF TEXTILE AGREEMENT TO EXPRESS AT LENGTH HIS ANGER AT THE "CRUDE AND INSULTING" RECENT AFP PRESS ARTICLE ON HAITIAN MINERAL RESOURCES (REF A) AND WHAT HE CALLED "DANGEROUS" PRESSURE FROM SOME UNDP OFFICIALS ON GOH TO DELAY NEGOTIATIONS WITH KENNECOTT. HE SUGGESTED THAT ARTICLE WAS A DIRECT, DELIBERATE LEAK FROM NICOLINI (UN ADVISOR TO HAITIAN OFFICE OF MINES AND FRENCH NATIONAL). HE SAID THE UNDP FINDINGS ON MINERALS WERE CONFIDENTIAL; IT WAS A BREACH OF CONFIDENCE TO GIVE THE INFORMATION TO THE PRESS; HAITI, AS A SOVEREIGN NATION MUST DECIDE ON ACTION TO BE TAKEN IN LIGHT OF NATIONAL INTEREST; AND ANY INFORMATION AS TO EXTENT OR EXPLORATION OF MINERAL RESOURCES SHOULD COME FROM GOVERNMENT ONLY. HE THEN NOTED REPORTS THAT MEMBERS OF THE UNDP MINERALS TEAM MIGHT BE A COVER FOR "NATIONAL INTERESTS." AT THIS POINT FOURCAND SPECIFICALLY REFERRED TO THE FRENCH, NOTING THAT HE HIMSELF WAS CERTAINLY NOT ANTI-FRENCH BUT THAT HE WAS A HAITIAN NATIONALIST, FIRST AND FOREMOST, AND WOULD RESIST ANY INTRUSION

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ON HAITIAN SOVEREIGNTY FROM WHATEVER SOURCE. HAITI HAD ITS OWN

EXPERT GEOLOGISTS AND HAD NO INTENTION OF BECOMING A "PRISONER OF THE UN."

2. FOURCAND SAID THAT HE AND THE TWO OTHER MINISTERS (BROS AND LEVEQUE) INVOLVED IN THE NEGOTIATIONS WITH KENNECOTT CONSIDERED THE COMPANY'S PROPOSAL, ALTHOUGH NOT IDEAL, TO BE A RESPECTABLE ONE, PRESENTED IN SERIOUS MANNER BY MAJOR INTERNATIONAL ENTERPRISE, AND THAT IT WAS IN THE BEST INTERESTS OF HAITI TO CONTINUE THE NEGOTIATIONS WITH KENNECOTT. HOWEVER, OTHERS IN AUTHORITY WERE EVIDENTLY INTRIGUED BY PROSPECT OF GREATER REVENUES TO BE GAINED BY DELAY AND MANEUVER AMONG COMPETING INTERESTS; THEY SOUGHT TO DELAY ANY NEGOTIATIONS WITH KENNECOTT FOR FROM SIX MONTHS TO A YEAR. FOURCAND IMPLIED THAT THE UN MINERALS TEAM, WITH FRENCH SUPPORT, HAD BEEN ACTIVELY LOBBYING TOWARD THIS GOAL.

3. FOURCAND THEN TOLD ME THAT (PRESUMABLY AS A RESULT OF THE PRESSURES OUTLINED ABOVE) HE HAD BEEN INSTRUCTED TO INFORM KENNECOTT THAT THE HAITIAN TEAM WAS "TOO BUSY" TO RENEW NEGOTIATIONS LATER THIS WEEK. HE PERSONALLY BELIEVED THIS DECISION WAS WRONG FOR THE COUNTRY AND BASED ON SELF-DECEPTION AS TO HAITI'S REALISTIC EXPECTATIONS. HE SUGGESTED THAT KENNECOTT, IN ITS RESPONSE, WOULD BE WELL ADVISED TO PLACE DEADLINE FOR REACHING AGREEMENT, FAILING WHICH IT WOULD INFORM GOH THAT IT WOULD DISCONTINUE NEGOTIATIONS.

4. I INFORMED FOURCAND THAT DURING THE PAST YEAR I HAD CONSISTENTLY STRESSED TO KENNECOTT OFFICIALS THE IMPORTANCE OF DEVELOPING A PROPOSAL WHICH WOULD BE FAIR TO BOTH PARTIES, WORKABLE IN BOTH SHORT AND LONG RUN, AND COMPATIBLE WITH NATIONAL ASPIRATIONS REGARDING OWNERSHIP AND MANAGEMENT OF RESOURCES.

5. FOURCAND CALLED BACK AN HOUR AFTER OUR INTERVIEW TO SAY HE HAD SPOKEN WITH PRESIDENT DUVALIER AND THAT HIS INSTRUCTIONS HAD NOW BEEN MODIFIED. HE WAS INSTEAD TO INFORM KENNECOTT THAT NEGOTIATIONS WOULD BE RESUMED IN EXACTLY FIFTEEN DAYS.

6. COMMENT: EVEN THOUGH THE LATEST ROUND SEEMS TO HAVE GONE TO THE PRO-KENNECOTT FORCES, THE BATTLE IS FAR FROM OVER, AND THE DANGER REMAINS THAT THE NEGOTIATIONS WITH KENNECOTT MAY YET RUN AGROUND BECAUSE OF INTERNAL BICKERING WITHIN THE GOH ACTIVELY FORMENTED BY CONFIDENTIAL

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FOREIGN INTERESTS. WE WILL BE WATCHING DEVELOPMENTS CLOSELY. FORTUNATELY, KENNECOTT HAS DONE MUCH TO PROVE ITS GOOD FAITH AND ITS NEGOTIATORS HAVE GIVEN FOURCAND A REASONABLY GOOD CASE TO ARGUE WITH THOSE IN GOVERNMENT WHO PREFER DELAY IN HOPES THAT SOME BETTER DEAL MAY TURN UP. FOURCAND WILL HAVE TO SHOW HIS COLLEAGUES THAT HE HAS CONDUCTED NEGOTIATIONS WITH KENNECOTT WITH FIRMNESS AND IN FULL REGARD FOR NATIONAL INTERESTS. THIS WILL CALL FOR CONTINUED UNDERSTANDING ON PART OF KENNECOTT. I PLAN TO POINT OUT,

IN APPROPRIATE QUARTERS, THE IMPORTANCE FOR HAITI OF
DEVELOPING AND MAINTAINING A RECORD OF RESPONSIBLE NEGOTIATIONS
WITH FOREIGN INVESTORS OF WHATEVER NATIONALITY. IF KENNECOTT
SUCCEEDS IT WILL BE BECAUSE GOH--I.E. PRESIDENT DUVALIER--IS
CONVINCEDD THAT THE COMPANY HAS DEALT WITH IT FAIRLY AND
WITH DUE REGARD FOR HAITI'S SENSE OF NATIONAL DIGNITY, OFTEN
WOUNDED IN THE PAST. IN ANY EVENT, UNDP PERSONNEL ON MINERALS
SURVEY TEAM HAVE NOT ENDEARED THEMSELVES TO AT LEAST THREE KEY
CABINET MINISTERS BY WHAT SEEMS TO HAVE BEEN A CALCULATED EFFORT
TO DETERMINE NATIONAL POLICY ON MINERALS EXPLOITATION.
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